

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

OPEN MEETING MINUTES

February 25, 2021

The regular meeting of the Maryland Small Business Development Financing Authority convened at 1:00 p.m. via teleconference only at 470-869-2200/meeting ID 428-245-6027 due to the COVID-19 pandemic.

The following were in attendance at this meeting:

Authority Members	MMG Staff
Les Hall	Randy Croxton
Clem Kaikis	Mark Harrison
Sharon Pinder	Tim Smoot
Laura Pasternak	Mike Howard
Gina Ramsey	Robin Harris
Mara Sierocinski	
Chuck Martin	

Attorney General's Office
Barbara Kountz, Deputy Counsel

AGENDA

MINUTES

February 17, 2021

EXTENSION

Gravastine, LLC

Midas Rx Pharmacy, LLC/Fokos Group, LLC

MainStreet Technologies, Inc.

Mr. Know It All, LLC

MODIFICATION

Adventures by Dawn, LLC d/b/a Adventure Tours

Adventures by Dawn, LLC d/b/a Adventure Tours (COVID 19)

Point of Excellence Beauty Academy, LLC

RENEWALS

Flight Fab, Inc.

The closed session of February 17, 2021, meeting was summarized. The Authority Board meeting was attended by Les Hall, Clem Kaikis, Chuck Martin, Sharon Pinder, Mara Sierocinski, and Laura Pasternak. The meeting was closed to comply with requirements of the Maryland Public Information Act so that there would not be disclosure of confidential, commercial, and financial information associated with the applicants. The meeting was closed to discuss the new COVID-19 loan requests of MUBMD Inc., Little Scholar's Playhouse Too, LLC, East West Wellness Center, Inc., Premier Eye Care Center LLC, and Airport Subs, Inc. All five of the new COVID-19 loan requests were approved.

COVID 19 Emergency Relief Loan Fund

1. MUBMD Incorporated - \$50,000
2. Little Scholar's Playhouse Too, LLC - \$25,000
3. Premier Eye Care Center, LLC - \$25,000
4. East West Wellness Center, Inc. - \$50,000
5. Airport Subs, Inc. - \$54,876

MINUTES

February 17, 2021

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the minutes as presented.

EXTENSION

Presenter: Timothy Smoot

Applicant: Gravastine, LLC

Loan Amount: \$360,000 Term Loan

Original Approval Date: May 13, 2015

Comments: A maturity date extension of the term loan through April 22, 2021 to allow more time to prepare a loan restructure of the balloon payment that was due at maturity was requested.

Discussion: There was limited discussion regarding the status of the business operations and the loan payments.

EXTENSION

Presenter: Tim Smoot

Applicant: Midas Rx Pharmacy, LLC/Fokos Group, LLC

Loan Amount: \$200,000 EPIP Term Loan

Original Approval Date: October 17, 2017

Comments: Approval was requested to extend the maturity date of the term loan through March 25, 2021 to allow more time to prepare a loan restructure of the balloon payment that was due at maturity.

Discussion: There was limited discussion regarding the status of the business operations and the loan payments. MMG was encouraged to have the borrower bring the account current prior to presenting a modification request. Loan officer opined that the borrower may not have the capacity to bring the loan current at this me.

EXTENSION

Presenter: Randy Croxton

Applicant: MainStreet Technologies, Inc.

Loan Amount: \$750,000 Line of Credit

Original Approval Date: March 31, 2016

Request: A maturity date extension to March 25, 2021 was requested to allow more time to prepare for a renewal.

Discussion: There was limited discussion regarding the status of the business and its revenue generation during the COVID-19 pandemic.

EXTENSION

Presenter: Mark Harrison

Applicant: Mr. Know It All, LLC

Loan Amount: \$100,000 Term Loan

Original Approval Date: November 24, 2020

Comments: Approval was requested to extend the approval date to March 25, 2021 to allow more time for the loan to close.

Discussion: There was limited discussion regarding the request.

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the four extension requests as presented.

REPORT

Presenter: Les Hall

Comments: Mr. Hall informed the meeting of the Governor's effort to provide additional relief assistance under the Governor's Relief Act of 2021. The authorization is subject to approval by the MSBDFA board and would convert up to \$50,000 each of the COVID-19 loans to grants. MMG would document the remaining proceeds via a modification to favorably impact the borrowers' cash flow. More details will be forthcoming during the next meeting to formally approve this action and to discuss how the modifications would be presented and approved.

Discussion: There was limited discussion regarding MMG preparing approval memorandum modifications for each transaction and the number of accounts requiring a modification to be presented during an open session meeting.

Action Taken: No action was required at this time.

The Open Meeting then closed at 1:30 p.m. upon motion made and seconded, and approved by all voting members, the meeting was closed pursuant to General Provisions Article, Section 3-305(b) (13), "to comply with a specific... statutory... requirement that prevents public disclosures about a particular proceeding or matter", that is, the Maryland Public Information Act prohibits disclosure of trade secrets, confidential commercial and confidential financial information. Chairman Les Hall signed the Presiding Officer's Written Statement for Closing a Meeting under the Open Meetings Act, which is attached to these minutes as an exhibit.

APPROVED:


Celester A. Hall
Chairman

DATE:

3-16-21

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

**PRESIDING OFFICER'S WRITTEN STATEMENT FOR CLOSING A MEETING
UNDER THE OPEN MEETINGS ACT
(General Provisions Article § 3-305)**

1. Recorded vote to close the meeting:

Date: February 25, 2021

Time: 1:30 pm – 1:55 pm

Location: Held by conference call only due to COVID 19 pandemic at
470.869.2200/428 245 6027

Motion to close meeting made by: Gina Ramsey; Seconded by Sharon Pinder

Vote to Close Session:

	AYE	NAY	ABSTAIN	ABSENT
Celester Hall, Chair, Designee Secretary of Commerce	[x]	[]	[]	[]
Clemis Kaikis, designee of Comptroller	[x]	[]	[]	[]
Charles Martin	[x]	[]	[]	[]
Kehinde Oreagba	[]	[]	[]	[x]
Laura Pasternak	[x]	[]	[]	[]
Sharon Pinder	[x]	[]	[]	[]
Gina Ramsey	[x]	[]	[]	[]
Mara Sierocinski	[x]	[]	[]	[]

2. Citation of statutory authority to close session (check all that apply): This meeting is being closed under General Provisions Article § 3-305(b), only:

____ (1) To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; any other personnel matter that affects one or more specific individuals;

___ (2) To protect the privacy or reputation of individuals concerning a matter not related to public business;

___ (3) To consider the acquisition of real property for a public purpose and matters directly related thereto;

___ (4) To consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State;

___ (5) To consider the investment of public funds;

___ (6) To consider the marketing of public securities;

X (7) To consult with counsel to obtain legal advice on a legal matter;

___ (8) To consult with staff, consultants, or other individuals about pending or potential litigation;

___ (9) To conduct collective bargaining negotiations or consider matters that relate to the negotiations;

___ (10) To discuss public security, if the public body determines that public discussion would constitute a risk to the public or to public security, including: (i) the deployment of fire and police services and staff; and (ii) the development and implementation of emergency plans;

___ (11) To prepare, administer, or grade a scholastic, licensing, or qualifying examination;

___ (12) To conduct or discuss an investigative proceeding on actual or possible criminal conduct;

X (13) To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter;

___ (14) Before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiating strategy or the contents of a bid or proposal, *if* public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.

3. Disclosure of the topics to be discussed, for each citation checked above:

§3-305(b)(13) topics: Discussion and evaluation of the applications received from potential borrowers for financial assistance under programs of the Maryland Small Business Development Financing Authority, which applications include the disclosure of financial information of private individuals and confidential commercial and financial information.

§3-305(b)(7) topics: Legal advice from counsel to the Authority with respect to the applications.

4. For each topic listed in #2, disclosure of the reason for discussing it in closed session rather than in open session:

§3-305(b)(13): Financial information of private individuals is protected from disclosure under the Maryland Public Information Act (§4-336) and confidential commercial and financial information is protected from disclosure under the Maryland Public Information Act (§4-335).

§3-305(b)(7): Protection of the attorney-client privilege.

This statement is made by Celester Hall, Chair of the Maryland Small Business Development Financing Authority, Presiding Officer.

A handwritten signature in black ink, appearing to read 'Celester Hall', written over a horizontal line.

Celester Hall
Chair